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**ILLINOIS COMMERCE COMMISSION**

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

**ORIGINAL**

ILLINOIS COMMERCE COMMISSION P 12: 43

ILLINOIS-AMERICAN WATER COMPANY

CHIEF CLERK'S OFFICE

Informational Statement under Section 6-102(d)	)	06-0650
regarding issuance and sale of \$198,000,000 of long	)	
term indebtedness for refunding purposes	)	and
	)	06-0651 (consol.)
Petition under Section 7-101 regarding issuance and	)	
sale of \$198,000,000 of long term indebtedness to an	)	
affiliated interest	)	

**SPECIAL REPORT**

TO THE ILLINOIS COMMERCE COMMISSION:

Pursuant to Administrative Code Section 240.20, Petitioner submits the following report for the period April 1 through June 30, 2007.

a) 2) Bonds and other securities

Petitioner issued the following securities during the reporting period:

Amount & Type of Security	Rate	Price/\$100
\$2,500,000 Promissory Notes	5.52%	Issued at Par
\$13,500,000 Promissory Notes	5.62%	Issued at Par
\$23,000,000 Promissory Notes	5.77%	Issued at Par
\$13,000,000 Promissory Notes	5.39%	Issued at Par
\$22,000,000 Promissory Notes	5.62%	Issued at Par
\$30,000,000 Promissory Notes	5.62%	Issued at Par

a) 3) All classes of securities

- A) All the securities identified above were issued to American Water Capital Corporation ("AWCC"), an affiliate of Illinois-American Water Company.
- B) The proceeds realized from each security issuance are shown in the above table. There was no discount or premium associated with any of the issuances.

C) The expenses for each issuance were as follows:

Issuance	Underwriting Fee	Legal Fees	Misc. Fees	ICC Fees	Total Issuance Costs
\$2,500,000	\$7,500	\$573	\$67	\$6,000	\$14,140
\$13,500,000	\$40,500	\$3,216	\$377	\$32,400	\$76,494
\$23,000,000	\$69,000	\$5,691	\$667	\$55,200	\$130,558
\$13,000,000	\$39,000	\$2,667	\$313	\$31,200	\$73,179
\$22,000,000	\$66,000	\$4,766	\$559	\$52,800	\$124,125
\$30,000,000	\$90,000	\$7,148	\$838	\$0	\$97,986
Totals	\$312,000	\$24,060	\$2,821	\$177,600	\$516,482

b) Use of the proceeds

The \$2,500,000, \$13,500,000, \$23,000,000, \$13,000,000, and \$22,000,000 Promissory Notes were issued for the purpose of buying down short-term debt. The \$30,000,000 Promissory Note was issued to refinance a \$30,000,000 Promissory Note at 5.65% payable to American Water Capital Corp (AWCC) that matured on June 12, 2007.

c) Amount of proceeds remaining

The aggregate amount of indebtedness authorized but not yet issued pursuant to Docket Nos. 06-0650 and 06-0651 totaled \$94,000,000 as of June 30, 2007.

As of June 30, 2007, Illinois-American has incurred legal fees of \$28,245 and ICC fees of \$225,600 associated with the \$94,000,000 of authorized securities not yet issued. Thus, as of June 30, 2007, the total fees incurred by Illinois-American associated with the securities authorized in Docket Nos. 06-0650 and 06-0651 have been \$770,327.

Dated September 13, 2007.

ILLINOIS-AMERICAN WATER COMPANY

By: James M. Jenkins

**VERIFICATION**

James M. Jenkins, CFO and Vice President Finance of Illinois-American Water Company being first duly sworn, deposes and states that he is familiar with the facts stated in the foregoing Special Report and that said facts are true and correct to the best of his knowledge, information and belief.

James M. Jenkins

SUBSCRIBED and SWORN to before me this  
13th day of September, 2007.

Rebecca Acton  
Notary Public

